

RESOLUTION NO. _____

A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS, TO REIMBURSE EXPENDITURES OF THE CITY PERTAINING TO CERTAIN CAPITAL IMPROVEMENTS FROM THE PROCEEDS OF ELECTRIC SYSTEM REVENUE CAPITAL IMPROVEMENT BONDS TO BE ISSUED BY THE CITY; AUTHORIZING THE MAYOR, IN COOPERATION WITH THE UNDERWRITER AND BOND COUNSEL, TO PROCEED WITH MATTERS PRELIMINARY TO THE ISSUANCE OF THE BONDS IN ONE OR MORE SERIES TO FINANCE THE CAPITAL IMPROVEMENTS; APPROVING THE PREPARATION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT; AND SETTING FORTH OTHER MATTERS PERTAINING THERETO.

WHEREAS, the North Little Rock City Council has determined that it is in the best interest of the City of North Little Rock, Arkansas, to issue revenue bonds secured by and payable from the revenues of the City's electric system for the purpose of financing capital improvements to the electric system consisting generally of (a) the new substation in the Galloway area near Interstate 40 approved in Resolution No. 7385, adopted January 12, 2009; and (b) acquisition of and improvements to an office building for the electric department; (c) improvements to the intake cleaning system at the City's hydroelectric energy station; and (d) acquisition and installation of smart meters, a digital radio system, and a SCADA system; and

WHEREAS, the City Council has determined to issue City of North Little Rock, Arkansas, electric system revenue capital improvement bonds in one or more series for the purpose of financing the capital improvements described above; and

WHEREAS, the City stated its intent pursuant to United States Treasury Regulation § 1.150-2 to reimburse itself for original expenditures made in planning, designing, acquiring, constructing, and equipping the portion of the capital improvements described in (a) above between November 13, 2008, and the date the bonds are issued, plus a *de minimis* amount and preliminary expenditures, with proceeds of one or more series of tax-exempt bonds in principal amount not to exceed \$8,000,000; and

WHEREAS, the City has determined the need to expend its funds to pay certain costs of the capital improvements described in (b), (c), and (d) above prior to the issuance of the bonds and that, in order to utilize the proceeds of tax-exempt bonds to reimburse original expenditures made by the City with respect to such capital improvements, it is necessary under United States Treasury Regulation § 1.150-2 that the City make a present declaration of its official intent to make such reimbursement; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That such preliminary actions as are determined to be necessary by the Mayor are hereby authorized for the marketing of electric system revenue capital improvement bonds in order to provide sufficient funds for financing the capital improvements described above; provided, however, that at such time as the Mayor may determine to be in the best interests of the City, the final terms of the sale of the bonds shall be submitted for approval by the City Council, together with the proposed form of the documents necessary for the issuance of the bonds, including, without limitation, a bond purchase agreement and trust indenture. The sale of the bonds may be considered at a regular or special meeting of the City Council as the Mayor shall consider appropriate.

SECTION 2: That the preparation of a preliminary official statement and its distribution to prospective purchasers of the bonds are hereby approved. The Mayor is hereby authorized and directed to cause the preliminary official statement to be delivered for and in the name of the City, with such provisions therein as shall be approved by the Mayor, who is authorized to execute and deliver to the underwriter a certificate, when requested by the underwriter, to the effect that the preliminary official statement is deemed final for the purposes of Securities and Exchange Commission Rule 15c2-12.

SECTION 3: That the City hereby authorizes and directs the Mayor, the General Manager of the electric system, and other officers and employees of the City to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with bond counsel, shall consider necessary or advisable in connection with this Resolution and the preliminary official statement, in order to prepare for the issuance, sale, and delivery of the bonds.

SECTION 4: That the City hereby declares its official intent pursuant to United States Treasury Regulation § 1.150-2 to reimburse itself for original expenditures made in planning, designing, acquiring, constructing, and equipping the capital improvements described in (b), (c), and (d) above between the date that is 60 days prior to the date of this Resolution and the date the bonds are issued, plus a *de minimis* amount and preliminary expenditures, with proceeds of one or more series of tax-exempt bonds in principal amount not to exceed \$8,000,000 (for a total, together with the amount previously stated in Resolution No. 7385 for the capital improvements described in (a), of not to exceed \$16,000,000).

SECTION 5: That the City has previously appointed Rose Law Firm, a Professional Association, as bond counsel and Stephens Inc. as underwriter with respect to improvements related to the acquisition, transmission, and distribution of electric power, and hereby appoints these two firms in connection with the issuance of electric system revenue bonds to finance the capital improvements described above. The Mayor is hereby authorized to execute an engagement letter with bond counsel.

SECTION 6: That the preparation of a preliminary official statement for the bonds and distribution to prospective purchasers of the bonds are hereby approved. The Mayor is hereby authorized and directed to cause the preliminary official statements to be delivered for and in the name of the City, with such provisions therein as shall be approved by the Mayor, who is authorized to execute and deliver to the underwriter a certificate, when requested by the underwriter, to the effect that the preliminary official statement is deemed final for the purposes of Securities and Exchange Commission Rule 15c2-12.

SECTION 7: That the Mayor is authorized to proceed with such action as is necessary, in his opinion, for the selection of a trustee and paying agent for the bonds.

SECTION 8: That this Resolution shall be effective from and after the date of its passage.

PASSED:

APPROVED:

SPONSOR:

Patrick H. Hays
Mayor Patrick H. Hays

Mayor Patrick H. Hays

ATTEST:

Diane Whitbey, City Clerk and Collector

APPROVED AS TO FORM:

C. Jason Carter
C. Jason Carter, City Attorney

REVIEWED BY THE OFFICE OF THE CITY ATTORNEY
PREPARED BY THE ROSE LAW FIRM

FILED	11:59	A.M.	____	P.M.
By	<u>City Atty. Carter</u>			
DATE	<u>2-22-11</u>			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	<u>J. Marshall</u>			